

FINANCIAL STATEMENTS

RESPECTING

Canadian Northern Railway System

AND

GRAND TRUNK PACIFIC RAILWAY

PRINTED BY ORDER OF PARLIAMENT



OTTAWA

J. de LABROQUERIE TACHÉ

PRINTER TO THE KING'S MOST EXCELLENT MAJESTY

1917

CANADIAN NORTHERN RAILWAY SYSTEM.

7 GEORGE V

SESSIONAL PAPER No. 237

A. 1917

CONDENSED GENERAL BALANCE SHEET, 30TH JUNE, 1916.

ASSETS.

Property Investment—Railway and Equipment at Cost to the System, including discount on Securities of Constituent and Subsidiary Companies and Acquired Securities per Statement on Pages 18 and 19.....	\$494,112,489 34
Other Investments.....	1,123,393 55
National Trust Company Certificates— Re Land Grant Bonds, Issue 1899. These Securities held as collateral to Loans.....	1,657,500 00
Terminal and Other Properties.....	5,922,945 63
Land Assets— Deferred Payments and Accrued Interest on Sales.....	\$ 7,140,996 59
Cash with National Trust Company Account of Land Sales.....	2,408,683 57
Lands Unsold.....	19,855,485 00

Current Assets—

Cash held on account of— Dominion Government.....	\$ 4,471,611 12
Province of Manitoba.....	239,350 64
Province of Saskatchewan.....	1,297,306 30
Province of Alberta.....	3,104,966 24
Province of Ontario.....	407,487 43
Province of British Columbia.....	6,403,989 06
National Trust Company.....	2,279,841 72
British Empire Trust Company Trustees Account.....	2,446,383 97
Sinking Funds.....	248,750 66
	<u>\$20,899,687 14</u>

Value of Material and Supplies on hand.....	3,368,924 82
Due from Agents, Station Balances, etc.....	1,446,010 67
Miscellaneous Accounts Receivable.....	6,050,258 16
British Admiralty.....	1,226,170 85
Cash on Hand.....	2,354,788 45

LIABILITIES.

Capital Stock—Common.....	\$100,000,000 00
Capital Stock—Affiliated Companies.....	\$ 75,429,500 00
Less Held in Treasury.....	69,557,400 00
Five Per Cent Income Charge Convertible Debenture Stock.....	5,872,100 00
Funded Debt— Canadian Northern Railway—Schedule "A" Affiliated Companies —Schedule "B".....	25,000,000 00 \$162,192,440 38 123,223,824 19
Equipment Trust Obligations.....	285,416,264 57
Temporary Loans against deposit as collateral of inter alia Government Guaranteed Securities, the value of which at current prices exceeds the amount borrowed.....	16,862,500 00 55,912,961 80
Due to Other Companies on Construction Account (Secured).....	16,666,957 26
Current Liabilities— Payrolls.....	\$ 1,832,708 23
Audited Vouchers and Other Floating Liabilities.....	11,161,443 83
Coupon and Dividend Warrants Due on 1st July (Since Paid).....	\$ 2,166,597 75
Accrued Interest on Bonds, Loans and Equipment Securities— Operating.....	\$1,509,670 50
Construction.....	903,002 80
	<u>2,412,673 30</u>
Reserves— Steamship Replacement Fund.....	3,289,543 92
Equipment Replacement Fund.....	1,212,727 44
Insurance Account.....	616,847 53
Taxes Accrued.....	250,000 00

35,345,840 09

5,369,118 89

CANADIAN NORTHERN RAILWAY SYSTEM.

CONDENSED GENERAL BALANCE SHEET, 30TH JUNE, 1916—*Concluded.*

Insurance Paid in Advance.....	\$ 682,906 11	Affiliated Companies, Advances Account.....	\$ 10,250,506 37
Advances by the Canadian Northern Railway Company to Affiliated Companies.....	10,250,506 37	Surplus— Land Account.....	\$ 337,046,748 17
Deferred Charges—Unadjusted Debits—Balance.....	246,545 00	Railway Account.....	2,776,711 03
	<u>\$578,747,291 25</u>		<u>39,823,459 20</u>
			<u>\$578,747,291 25</u>

AUDITORS' CERTIFICATE.

We have examined the books and records of the Canadian Northern Railway System for the year ending 30th June, 1916, and we certify that, in our opinion, the above Balance Sheet is properly drawn up so as to show a true and correct view of the affairs of the System at that date and that the attached Income and Profit and Loss Account Statements are correct.

WEBB, READ, HEGAN, CALLINGHAM & COMPANY,
Chartered Accountants.

NOTE.—With respect to Cash in Trust Accounts \$18,204,552.51 is held for payment to the Company from time to time against expenditures for specific construction works.

SESSIONAL PAPER No. 237

CANADIAN NORTHERN RAILWAY SYSTEM.

STATEMENT of Securities Outstanding, showing: Securities guaranteed by Dominion Government, Securities guaranteed by Provincial Governments, Securities Unguaranteed, Maturities of all Issues, Annual Fixed Charges, June 30, 1917.

Security.	Date of Maturity.	Total Issue.	Annual Interest.
		\$ cts.	\$ cts.
<i>Guaranteed by Dominion Government.</i>			
Canadian Northern Railway—			
3% 1st Mtge. Debenture Stock.....	July 10, 1953	9,359,996 72	280,799 86
3½% 1st Mtge. Debenture Stock.....	July 20, 1958	7,896,588 26	276,380 47
4% 1st Mtge. Debenture Stock.....	Sept. 1, 1934	44,866,667 33	1,794,666 66
Canadian Northern Alberta Railway—			
3½% 1st Mtge. Debenture Stock.....	April 1, 1962	3,569,996 86	124,949 88
3½% 1st Mtge. Debenture Stock.....	May 4, 1960	3,149,998 66	110,249 96
Canadian Northern Ontario Railway—			
3½% 1st Mtge. Debenture Stock.....	May 19, 1961	35,770,000 00	1,251,950 00
Total Dominion.....		104,613,247 83	3,838,996 83
<i>Guaranteed by Province of Ontario.</i>			
Canadian Northern Ontario Railway—			
3½% 1st Mtge. Deb. Stock (1938).....	June 30, 1938	6,724,015 39	235,340 54
3½% 1st Mtge. Deb. Stock (1936).....	July 10, 1936	1,135,982 20	39,759 38
		7,859,997 59	275,099 92
<i>Guaranteed by Manitoba Government.</i>			
Canadian Northern Railway—			
4 % Consolidated Debenture Bonds.....	June 30, 1930	10,784,046 66	431,361 87
4 % Ontario Division Bonds.....	June 30, 1930	5,580,606 66	223,224 26
4½% Ontario Division Bonds.....	June 30, 1930	164,980 00	7,424 26
4 % Winnipeg Terminal Bonds.....	July 1, 1939	3,000,000 00	120,000 00
4 % 1st Mtge. Stock.....	June 30, 1930	4,319,998 86	172,799 90
4½% Can. Nor. Manitoba.....		160,680 00	7,230 60
4 % Branch Line Bonds.....	Feb. 1, 1929	1,137,340 00	45,493 60
4 % Gilbert Plains Bonds.....	Nov. 1, 1930	2,433 33	97 33
4 % Manitoba & S.E. Ry. Bonds.....	Feb. 1, 1929	512,460 00	20,498 40
		25,662,545 51	1,028,130 22
<i>Guaranteed by Saskatchewan Government.</i>			
Canadian Northern Railway—			
4% 1st Mtge. Stock.....	Jan. 23, 1939	13,709,399 99	548,385 98
Canadian Northern Saskatchewan Railway—			
4½% 1st Mtge. Stock.....	Dec. 19, 1943	1,174,813 33	52,866 60
		14,884,213 32	601,252 58
<i>Guaranteed by Alberta Government.</i>			
Canadian Northern Railway—			
4% 1st Mtge. Debenture Stock.....	Feb. 25, 1939	9,726,364 26	389,054 56
Canadian Northwestern Railway—			
4½% 1st Mtge. Debenture Stock.....	Feb. 16, 1942	6,424,000 00	289,080 00
4½% 1st Mtge. Debenture Stock.....	Oct. 22, 1943	2,799,997 73	125,999 90
		18,950,361 99	804,134 46

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STATEMENT of Securities Outstanding, etc.—*Continued.*

Security.	Date of Maturity.	Total Issue.	Annual Interest.
<i>Guaranteed by British Columbia Government.</i>		\$ cts.	\$ cts.
Canadian Northern Pacific Railway—			
4 % 1st Mtge. Debenture Stock.....	Apr. 2, 1950	20,999,997 59	839,999 90
4½% Terminal Debenture Stock.....	Apr. 2, 1950	8,614,000 00	387,630 00
4½% Branch Line Stock.....	Apr. 2, 1950	5,543,527 54	249,458 74
4½% Second Charge Stock.....	Apr. 2, 1950	4,999,998 73	224,999 94
		40,157,523 86	1,702,088 58
Total Provincial.....		107,514,642 27	4,410,705 76
<i>Unguaranteed Securities.</i>			
Canadian Northern Railway—			
4% Perp. Consol. Debenture Stock.....	Perpetual.....	61,837,788 96	2,473,511 55
4% 1st Mtge. Pas Mission Bonds.....	Apr. 12, 1939..	880,000 00	35,200 00
4½% 1st Mtge. Gunflint Bonds.....	June 30, 1930..	669,000 00	30,105 00
4½% Prince Albert Branch Bonds.....	June 30, 1930..	693,900 00	31,225 50
Canadian Northern Ontario Railway—			
4% Perp. Consol. Debenture Stock.....	Perpetual.....	12,658,910 51	506,356 42
Central Ontario Railway—			
5% 1st Mtge. Bonds.....	Jan. 1, 1934....	945,593 33	47,279 66
Bay of Quinte Railway—			
*5% 1st Mtge. Bonds.....	Jan. 2, 1927....	780,000 00	39,000 00
Irondale, Bancroft & Ottawa Railway—			
5% Mtge. Bonds.....	Jan. 1, 1953....		
Canadian Northern Quebec Railway—			
4% Perpetual Debenture Stock.....	Perpetual.....	5,435,127 39	217,405 09
Great Nor. Ry. of Canada 4% Bonds.....	Oct. 1, 1934	3,505,750 00	140,230 00
Quebec & Lake St. John Railway—			
4% 1st Mtge. Debenture Stock.....	Perpetual.....	4,486,813 60	179,472 54
Duluth, Winnipeg & Pacific Railway—			
4% 1st Mtge. Stock.....	June 1, 1939	8,221,907 27	328,876 28
Duluth, R.L. & Wpg. Ry. 5% Bonds.....	Jan. 1, 1921	2,000,000 00	100,000 00
Halifax & Southwestern Railway—			
3½% 1st Mtge. Bonds.....	Sept. 30, 1943	5,663,666 66	198,228 32
Niagara, St. Catharines & Toronto Railway—			
5% 1st Mtge. Bonds.....	Nov. 1, 1929	1,504,000 00	75,200 00
5% 2nd Mtge. Bonds.....	Nov. 1, 1929	536,500 00	26,825 00
Qu'Appelle, Long Lake & Saskatchewan Railway & Steamboat Co.—			
4% 1st Mtge. Stock.....	July 1, 1936	5,019,681 10	200,787 24
Mount Royal Tunnel and Terminal Co., Ltd.—			
5% 1st Mtge. Bonds.....	April 15, 1970	11,430,033 39	571,501 67
James Bay and Eastern Railway—			
* 5% 1st Mtge. Bonds.....	Sept. 1, 1945	300,000 00	15,000 00
Minnesota and Manitoba Railway—			
4% 1st Mtge. Bonds.....	Sept. 1, 1931	349,000 00	13,960 00
		126,917,672 21	5,230,164 27

STATEMENT of Securities Outstanding, etc.—*Concluded.*

Securities.	Date of Maturity.	Total Issue.	Annual Interest.
		\$ cts.	\$ cts.
<i>Land Securities.</i>			
Canadian Northern Railway—			
4% Land Grant Bonds (1909).....	July 1, 1938	1,852,740 00	74,109 60
†4% Land Grant Bonds (1899).....	Feb. 1, 1919	2,000,000 00	
5% Land Mtge. Debentures	June 1, 1923	17,033,333 33	851,666 67
Total Unguaranteed.....		147,803,745 54	6,155,940 54
Grand Total.....		359,931,635 64	14,405,643 13

NOTES.—(*) 1—In Treasury.
(†) 2—Interest payable from funds in hands of National Trust Co., Ltd.
3—In addition to above, the following are authorized and issued:—
(a) Canadian Northern Railway 5 per cent Income Charge Convertible Debenture Stock, \$25,000,000.
(b) Imperial Rolling Stock Co., Ltd., Equipment Trusts, \$14,846,500.
4—Included in the above are the following securities guaranteed by the Dominion and Provincial Governments, interest on which is payable by respective Governments:—

	Amount Outstanding.	Interest.
	\$ cts.	\$ cts.
<i>Dominion Guarantee.</i>		
C. N. R. 4% Dominion Guarantee Debenture Stock..... (The Governor in Council may at the request of the Company authorize the Government to pay out of the Consolidated Revenue Fund of the Dominion of Canada all or any portion of the first six half-yearly payments of interest on the Guaranteed Securities falling due after the opening for traffic of the through line of the Canadian Northern Railway System from Vancouver to the City of Quebec. The road was declared to be open for traffic and interest was paid by Government March 1st, 1916.) The Government will pay interest till September 1st, 1918 inclusive.	44,866,667 33	1,794,666 66
C. N. Ontario Ry. 3½% Debenture Stock..... The Government may at the request of the Company out of the Consolidated Revenue Fund pay all or any portion of the first four half-yearly payments of interest on the Guaranteed Securities falling due after the opening for traffic of the whole of the line so aided. The road was declared to be open for traffic and interest was paid by Government July 20th, 1916 The Government will pay interest till January 20th, 1918 inclusive.	35,770,000 00	1,251,950 00
		3,046,616 66
<i>Guaranteed by Province of British Columbia.</i>		
C. N. Pacific Ry. 4% Guarantee Debenture Stock.....	20,999,997 59	839,999 90
C. N. Pacific Ry. 4½% Terminal Debenture Stock.....	8,614,000 00	387,630 00
C. N. Pacific Ry. 4½% Branch Lines Stock.....	5,339,127 53	240,260 74
Should the earnings of the Company during each or any of the first three years of operating, after completion of the lines included in the Mortgaged Premises, be insufficient to pay the operating expenses and interest on the Guaranteed Securities, the Province shall pay the amount of such deficit of interest to the Company, or such persons, firms, or corporations as may be entitled thereto.		4,514,507 30

7 GEORGE V, A. 1917

CANADIAN NORTHERN RAILWAY SYSTEM.

MEMORANDUM re Short Term Loans and Current Liabilities, June 15, 1917.

London Loans.....	\$ 21,083,208	
Canada Loans.....	31,154,066	
New York Loans.....	21,750,000	
Other Obligations.....	24,289,609	
		\$ 98,276,883
London Bank Loans on Securities, as per list.....		\$ 21,083,208
Canadian Northern Ry. 4% D. S. (Dom. Quart.) Loan.....	\$ 10,000,000	
Dominion Government Loan.....	15,000,000	
Special Loans on Securities.....	6,154,066	
		31,154,066
C.N.R. 6% 1 and 2 Year Notes July 10, 1917, and July 10, 1918.....	\$ 6,000,000	
C.N.R. 4% D. S. (Dom. Quart.) Two Year Notes 1st September, 1917.....	11,500,000	
C.N.R. 5% One Year Notes, September 1st, 1917.....	1,750,000	
C.N.R. 5% One and Two Year Notes due 10th January, 1918 and 10th January, 1919.....	2,500,000	
		21,750,000
Temporary Loans and Advances covering Interest, Construction, Betterments and Equipment, at 14th June, 1917.....	\$ 21,145,913	
Less: Receivable from Proceeds of Securities, etc., applicable in reduction of the above certified to by Company's Official.....	1,260,898	
		19,885,015
Due to Construction Contractors at April 30th, 1917.....		1,277,323
Balance due on Sundry Accounts:—		
Payrolls, Audited Vouchers, etc.....	\$ 12,994,152	
Coupon Warrants, Accrued Interest, etc.....	4,579,271	
		17,573,423
Cash on Hand, Accounts Receivable, Material, Supplies, etc.....	\$ 14,446,152	
		*3,127,271
		\$ 98,276,883

NOTE: The above does not include payments maturing in respect of Equipment Trust Obligations.

We have examined the above statement and the schedules attached initialed by us, and certify that the loans are correctly stated as shown by the records of the Canadian Northern Railway System.

As no Balance Sheet dated the 15th June, 1917, is as yet completed, we are not in a position to certify that all Temporary Loans are included, but we have followed through any additions and reductions since 30th June, 1916, the date of the last certified Balance Sheet, and we are of the opinion that the aforementioned schedules are substantially correct.

WEBB, READ, HEGAN, CALLINGHAM & CO.,

Chartered Accountants.

*This figure is as of June 30th, 1916, but is approximately the same as of June 15th, 1917.

SESSIONAL PAPER No. 237

CANADIAN NORTHERN RAILWAY SYSTEM.

IMPERIAL ROLLING STOCK COMPANY, LIMITED.—Equipment notes Outstanding June 30, 1917; principal payable in year ending June 30, 1918; interest payable in year ending June 30, 1918.

Series.	Principal Outstanding.	Principal Payable.	Interest Payable.
	\$ cts.	\$ cts.	\$ cts.
"P".....	100,000 00	100,000 00	2,250 00
"R".....	170,000 00	170,000 00	7,650 00
"S".....	200,000 00	100,000 00	9,000 00
"T".....	450,000 00	150,000 00	16,875 00
"U".....	150,000 00	50,000 00	5,625 00
"V".....	1,200,000 00	300,000 00	47,250 00
"A-1".....	1,476,000 00	368,000 00	62,280 00
"B-1".....	675,500 00	150,000 00	28,698 75
"C-1".....	1,100,000 00	220,000 00	47,025 00
"D-1".....	1,650,000 00	330,000 00	70,537 50
"E-1".....	1,155,000 00	210,000 00	49,612 50
"F-1".....	2,530,000 00	420,000 00	109,125 00
"G-1".....	650,000 00	100,000 00	28,125 00
"H-1".....	510,000 00	80,000 00	24,500 00
"K-1".....	1,580,000 00	210,000 00	76,375 00
"L-1".....	1,250,000 00	132,000 00	60,850 00
	14,846,500 00	3,090,000 00	645,778 75

Total Cost of Equipment Purchased.....\$ 61,398,386

Equipment Notes Outstanding.....14,846,500

Net Expenditure on Equipment.....\$ 46,551,886

7 GEORGE V, A. 1917

CANADIAN NORTHERN RAILWAY SYSTEM.

SECURITIES Pledged as collateral, June 30, 1917.

<i>Guaranteed Securities.</i>	\$ cts.	\$ cts.
C.N.R., 4% Gtd. Dom. Govt.....	27,833,334 00	
C.N. Alta., 3½% Gtd. Dom. Govt.....	3,569,996 86	
C.N. Ont., 3½% Gtd. Dom. Govt.....	1,540,003 13	32,943,333 99
C.N.Man., 4½% Prov. of Man.....	160,680 00	
C.N.R., 4% Prov. of Alta.....	1,949,698 60	
C.N.R., 4% Prov. of Sask.....	3,246,066 66	
C.N.Pac., 4½% Br. Lines B.C. Govt.....	5,543,527 54	
C.N.Pac., 4½% 2nd Charge D.S. B.C. Govt.....	4,999,998 73	
C.N.Sask., 4½% Saskatchewan.....	1,174,813 33	
C.N.Sask., 4½% Saskatchewan (Terminals).....	486,666 66	17,561,451 52
		50,504,785 51
<i>Unguaranteed Securities.</i>		
C.N.R., 4% P. C. D. S.....	12,382,099 44	
C.N.R., 4½% Prince Albert Branch.....	693,900 00	
C.N.R., 4% Pas Mission.....	880,000 00	
C.N.O., 4% P. C. D. S.....	3,934,797 31	
C.N.Q., 4% D. S.....	184,758 13	
D.W. & P.Ry., 4% D. S.....	1,216,910 00	
Q & L.St.J., 4% 1st Mtge. Stock.....	234,310 53	
H.&S.W.Ry., 3½% D. S.....	1,216,666 66	
C.N.R., 4½% Gunflint Branch.....	669,000 00	
N.St.C.&T.Ry., 5% 1st Mtge. Bonds.....	406,000 00	
N.St.C.&T.Ry., 5% 2nd Mtge. Bonds.....	536,500 00	
Mt.Royal T.&T., 5% Rent Charge Bonds.....	9,191,366 72	
C.N.R., 5% Land Mtge. Debs.....	9,933,839 99	
Land Grant, 4% Bonds, 1919.....	1,657,500 00	
C.N.R., 5% Income Charge Convertible D.S.....	860,392 60	
Q.&L.St.J., 1st Mtge. Bonds.....	31,268 33	
Q.&L.St.J., Income Bonds.....	102,818 07	
Jas.Bay & E.Ry., 5% 1st Mtge. Bonds.....	300,000 00	
Can.Nor.Prairie Lands Co., Ltd. Shares.....	50,095 00	
Can.Nor.Ry., 6% Mortgage (Dom. Govt.).....	15,000,000 00	59,482,222 78
<i>Land Grants.</i>		
C.N.O.Ry. Land Grant, 2,000,000 acres.....	4,536,931 00	
C.N.Que.Ry. Land Grant, 402,000 acres.....	1,208,580 00	5,745,511 00
		115,732,519 29

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CANADIAN NORTHERN RAILWAY SYSTEM.

TEMPORARY Loans Outstanding June 15, 1917.

LONDON.

Security.		Maturity.	Amount.		
			£	s.	d.
1.	£ 178,900 C.N.R. 4% P.C.D.S.	Sept. 30, 1917	191,000	0	0
	73,873 C.N.O. 4% P.C.D.S.				
	176,793 C.N.R. 5% Income Chg. Con. D.S.				
	68,200 C.N.R. 5% Land Mtge. Debs.				
	21,886 Que. & L. St. John Ry. 4% D.S.				
	1,300 D. W. & P. Ry. 4% D.S.				
Shares 10,019 C.N. Prairie Lands Co., Ltd., Ordinary Shares.					
2.	£ 175,000 C.N.R. 4% P.C.D.S.	Oct. 5, 1917	200,000	0	0
	200,000 C.N.R. 4% Alta. D.S.				
3.	406,000 C.N.P.R. 4½% Br. Lines D.S.	July 9, 1917	302,500	0	0
4.	58,581 C.N.P.R. 4½% Br. Lines D.S.	Oct. 15, 1917	46,864	16	0
5.	1,027,397 C.N.P.R. 4½% 2nd Chge. D.S.	Oct. 15, 1917	821,917	12	0
6.	790,000 Mt.R.T. & T. Co. 5% Bonds.	Oct. 15, 1917	599,800	0	0
7.	70,000 C.N.R. 4% Alta. D.S.	Dec. 9, 1917	100,000	0	0
	130,000 C.N.R. 4% P.C.D.S.				
8.	316,438 C.N.R. 4% P.C.D.S.	Demand.....	258,900	0	0
9.	65,000 C.N.R. 4% P.C.D.S.	Demand.....	51,183	13	4
10.	1,651,805 C.N.R. 5% Land Mtge. Debs.	Demand.....	1,460,000	0	0
	44,495 C.N.R. 4% D.S. P. of Alta.				
	51,590 C.N.R. 4% P.C.D.S.				
11.	400,000 C.N.R. 4% P.C.D.S.		300,000	0	0
5,907,258 } \$28,798,750 60. Currency \$21,083,208 17.			4,332,166	1	4
Shares 10,019 }					

NOTE.—In converting par rate of exchange used.

CANADA.

1.	£ 37,964 C.N.Q.R. 4% D.S.	Demand	\$168,418 23
2.	£ 86,128 C.N.R. 4% D.S. Prov. of Alta.	"	356,282 87
3.	£ 129,000 C.N.O.R. 4% D.S.	"	489,684 00
4.	\$ 63,000 C.N.R. 4½% Bonds Prince Albert Br.	"	50,400 00
5.	\$ 380,000 C.N.R. 4% Pas Mission Bonds.	"	285,000 00
6.	£ 69,600 C.N.R. 4% P.C.D.S.	"	270,976 00
7.	£ 37,000 D. W. & P.R. 4% D.S.	"	120,645 00
8.	£ 146,875 D.W. & P.R. 4% D.S.	"	478,910 40
9.	£ 85,859 C.N.O.R. 4% D.S.	"	292,492 98
10.	\$ 1,657,500 Nat. Trust Co. 4% Transferable Cert. re C.N.R. 4% Land Grant Bonds.	"	1,505,154 64
11.	£ 26,260 Q. & L.S.J.R. 4% Mtge. D.S.	"	83,069 00
12.	£ 300,000 C.N.R. 4% P.C.D.S.	"	776,004 30
13.	\$ 356,000 N.S.C. & T.R. 5% Mtge. Bonds.	"	290,000 00
14.	£ 32,205 D. W. & P. R. 4% D.S.	"	105,000 00
15.	£ 180,062 C.N.O.R. 4% P.C.D.S.	"	617,028 87
16.	£ 32,670 D.W. & P.R. 4% D.S.	"	115,000 00
	\$ 25,000 N.S.C. & T.R. 5% 1st Mtge. Bonds.		
17.	\$ 175,900 C.N.R. 4½% Bds. Prince Albert Br.		
	\$ 24,100 C.N.R. 4½% Bds. Gunflint Branch.	"	150,000 00
	£ 10,000 C.N.R. 4% P.C.D.S.		
	\$ 8,393,131		\$ 6,154,066 29
18.	12,500,000 C.N.R. 4% Dom. Government D.S.	"	10,000,000 00
	\$ 20,893,131		\$ 16,154,066 29
19.	Mortgage dated June 23rd, 1916.	"	15,000,000 00
			\$ 31,154,066 29

NOTE.—In converting par rate of exchange used.

CANADIAN NORTHERN RAILWAY SYSTEM.

NEW YORK Loans Outstanding June 15, 1917.

	Security.	Maturity.	Amount.
1. C.N.R. 6% 1 and 2 Year Notes	\$ 1,270,200 00 1,253,166 67 1,174,813 33	C.N.R. 4% Sask.Jan. 10/18 C.N.P.R. 4½% Br. Lines\$ 1,250,000 C.N.S.R. 4½% D.S..... Jan. 10/19 \$ 1,250,000	\$2,500,000
2. C.N.R. 5% 1 Year Notes....	2,501,466 66	M.R.T. & T. Co. 1st Mtge. (C.N.) Rent Charge Bonds.....Sept. 1/17	1,750,000
3. C.N.R. 6% 1 and 2 Year Notes	3,560,906 87 1,540,003 13 1,975,866 67 2,029,400 00	C.N.A.R. 3½% Dom.Gtd.July 10/17 C.N.O.R. 3½% Dom.Gtd. \$ 3,000,000 C.N.R. 4% Sask.....July 10/18 C.N.P.R. 4½% Br. Lines.\$ 3,000,000	6,000,000
4. C.N.R. 5% 2 Year Notes	\$15,333,334 00	C.N.R. 4% Gtd. Dom.Sept. 1/71	11,500,000
	\$30,648,247 33		\$ 21,750,000

NOTE.—In converting par rate of exchange used.

CANADIAN NORTHERN RAILWAY SYSTEM.

STATEMENT of Gross Earnings, Operating Expenses and net Earnings for 12 Months ending June 30, 1917, net Earnings Estimated for Month of June.

Month.	Gross Earnings.	Operating Expenses.	Net Earnings.
1916			
July	\$ 3,834,191 68	\$ 2,636,812 11	\$ 1,197,379 57
August	3,684,910 12	2,612,916 97	1,071,993 15
September.....	3,187,894 09	2,455,253 59	732,640 50
October.....	3,716,784 77	2,496,512 78	1,220,271 99
November.....	3,722,305 84	2,472,318 00	1,249,987 84
December.....	3,485,365 10	2,661,578 35	823,786 75
1917			
January.....	2,832,592 48	2,350,481 57	482,110 91
February.....	2,358,607 02	2,250,398 32	108,208 70
March.....	3,273,235 56	2,655,160 39	618,075 17
April	3,315,500 00	2,557,600 00	757,900 00
May.....	3,784,700 00	2,730,300 00	1,054,400 00
June.....	4,048,600 00	2,915,000 00	1,133,600 00
Miscellaneous Earnings From Subsidiary Companies including Interest on Investments, etc.....	1,075,000 00		1,075,000 00
	\$ 42,319,686 66	\$ 30,794,332 08	\$ 11,525,354 58

CANADIAN NORTHERN RAILWAY SYSTEM.

COMPARISON of Earnings, 1915, 1916, and 1917.

	Gross Earnings.	Operating Expenses.	Net Earnings.
1915	\$ 25,912,106 30	\$ 19,288,814 42	\$ 6,623,291 88
1916	35,476,275 06	26,102,744 52	9,373,530 54
1917	42,319,686 66	30,794,332 08	11,525,354 58

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CANADIAN NORTHERN RAILWAY SYSTEM.

STATEMENT of Expenditures on Capital Account for Equipment, Construction and Betterments from July 1, 1916, to June 30, 1917.

Principal of Equipment Notes Retired.....	\$ 3,266,000 00
Expenditure on Construction, New Rolling Stock and other Capital work.....	4,287,270 35
Expenditure on Betterments, Improvements and Traffic Facilities.....	2,021,999 08
	<u>\$ 9,575,269 43</u>

CANADIAN NORTHERN RAILWAY SYSTEM.

MILEAGE, 30th June, 1917.

Province.	Main Line.	Branches.	Total.
Nova Scotia.....		370	370
Quebec.....	206	479	685
Ontario.....	1,248	974	2,222
Minnesota.....	44	171	215
Manitoba.....	364	1,631	1,995
Saskatchewan.....	400	1,820	2,220
Alberta.....	436	830	1,266
British Columbia.....	513	27	540
Total, miles.....	3,211	6,302	9,513

ESTIMATED Cash Requirements for period July 1, 1917, to June 30, 1918.

	Date of Maturity.	Principal Amount.	July.	Sept.	Oct.	Nov.	Jan.	March.	April.	May.	Total.	Guaranteed by
Lake Superior Branch— 4% First Mortgage	April 1/55	7,533,000 00	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	Grand Trunk Railway.
Prairie— 3% First Mortgage	Jan. 1/62	12,869,280 00	193,039 20				193,039 20		150,660 00		301,320 00	Grand Trunk Railway.
4% Series "A"	April 1/55	10,206,000 00			204,120 00				204,120 00		386,078 40	Dominion Government.
4% Bonds due 1919	April 1/19	10,000,000 00			200,000 00				200,000 00		408,240 00	Grand Trunk Railway.
4% Debentures	July 1/23	5,692,436 84	113,848 74				113,848 74				400,000 00	"
											227,607 48	"
Mountain— 3% First Mortgage	Jan. 1/62	55,170,720 00	827,560 80				827,560 80				1,655,121 60	Dominion Government.
4% Series "B"	April 1/55	9,963,000 00			199,260 00				199,260 00		398,520 00	Grand Trunk Railway.
4% Debentures	July 1/23	9,307,563 16	186,151 26				186,151 26				372,302 52	"
4% Sterling Bonds	Jan. 1/62	8,440,848 00	168,816 96				168,816 96				337,633 92	Dominion Government.
Loan from Dom. Govt		6,000,000 00				150,000 00				150,000 00	300,000 00	"
4% Debenture Stock	Perpetual.	34,879,252 86		697,585 06				697,585 06			1,395,170 12	Grand Trunk Railway.
5% Secured Notes	Mar. 2/21	9,720,000 00		243,000 00				243,000 00			486,000 00	"
General— Dom. Govt. Loan 1916-17			157,124 14				176,771 00				333,895 14	"
G.T.P. Branch Lines. Sask'n Branches, 4% Bonds	Jan. 22/39	11,347,848 00				226,956 96				226,956 96	453,913 92	Province of Sask'n.
Sask'n Termals., 4% Bonds	Dec. 18/43	1,882,240 00				42,350 40				42,350 40	84,700 80	"
Alberta Branches, 4% Bonds	Feb. 25/39	2,430,000 00				48,600 00				48,600 00	97,200 00	Province of Alberta.
Alberta Coal Branch, 4% Bonds	Feb. 15/42	1,159,596 00				23,191 92				23,191 92	46,383 84	"
		202,494,151 35	1,646,541 10	940,585 06	754,040 00	491,099 28	1,666,187 96	940,585 06	754,040 00	491,099 28	7,684,177 74	

Less—Interest on 3% and 4% Bonds due July 1st, 1917, to be provided for out of Balance of the authorized 1917 \$8,000,000 Loan..... 1,189,416 96

Estimated Operating Loss, Grand Trunk Pacific Coast Steamship Company, Ltd..... 6,494,760 78

Estimated for Betterments, including Rolling Stock..... 100,000 00

Less Estimated Surplus from Operation, G. T. Pacific Ry. System, including G.T.P. Branch Lines..... 2,000,000 00

Net required..... 7,494,760 78

Interest on Mountain Section 3% Bonds, amounting to \$1,655,121.60, is payable by the Dominion Government for the period of seven years from January 1st, 1916, without recourse on the Grand Trunk Pacific Railway Company.

FRANK SCOTT,
Vice-President and Treasurer.

Montreal, June 14, 1917.

GRAND TRUNK PACIFIC RAILWAY AND GRAND TRUNK PACIFIC BRANCH LINES.

STATEMENT showing bonds, etc., authorized, issued, and outstanding, and net proceeds therefrom, also interest payable during the period July 1, 1917, to June 30, 1918.

	Par Value Authorized.	Par Value Issued and (Outstanding.	Net Proceeds.	Interest payable during the period July 1, 1917, to June 30, 1918.	
	\$ cts.	\$ cts.	\$ cts.		\$ cts.
<i>Grand Trunk Pacific Railway.</i>					
1st Mortgage 3% Bonds, due January 1, 1962.....	68,040,000 00	68,040,000 00	68,040,000 00	Due Jan. and July	2,041,200 00
4% Bonds, Series "A," due April 1, 1955.....	10,206,000 00	10,206,000 00	9,601,926 30	" April and Oct.	408,240 00
4% Bonds, Series "B," due April 1, 1955.....	9,963,000 00	9,963,000 00	9,016,297 11	" April and Oct.	398,520 00
4% Bonds, Lake Superior, due April 1, 1955.....	7,533,000 00	7,533,000 00	7,116,692 40	" April and Oct.	301,320 00
4% Debenture Stock, Perpetual.....	50,000,000 00	34,879,252 86	31,411,985 96	" March and Sept.	1,395,170 12
4% Debentures, due July 1, 1923.....	15,000,000 00	15,000,000 00	15,000,000 00	" Jan. and July	600,000 00
4% Bonds, due April 1, 1919.....	10,000,000 00	10,000,000 00	10,000,000 00	" April and Oct.	400,000 00
4% Sterling Bonds, due January 1, 1962.....	15,940,800 00	8,440,848 00	6,727,249 80	" Jan. and July	337,633 92
Loan from Dominion Government.....	6,000,000 00	6,000,000 00	6,000,000 00	" May and Nov.	300,000 00
5% Secured Notes, due March 2, 1921.....	9,720,000 00	9,720,000 00	9,095,512 05	" March and Sept.	486,000 00
Loan from Dominion Government.....	8,000,000 00	5,892,366 49	5,892,366 49	" Jan. and July	333,895 14
	210,402,800 00	185,674,467 35	177,902,030 11		7,001,979 18
<i>Grand Trunk Pacific Branch Lines.</i>					
Alberta Branches 4% Bonds, due February 25, 1939.....	3,022,500 00	2,430,000 00	15,397,971 12	Due May and Nov.	97,200 00
Alberta Coal Branch 4% Bonds, due February 15, 1942.....	1,159,596 00	1,159,596 00		" May and Nov.	46,383 84
Saskatchewan Branches 4% Bonds, due January 22, 1939.....	11,400,000 00	11,347,818 00		" May and Nov.	453,913 92
Saskatchewan Terminals 4% Bonds, due December 18, 1943.....	2,150,000 00	1,882,240 00		" May and Nov.	84,700 80
Saskatchewan Bridges 4% Bonds, due December 18, 1943.....	1,300,000 00				
	19,032,096 00	16,819,684 00	15,397,971 12		682,198 56
Total Main Line and Branches.....	229,434,896 00	202,494,151 35	193,300,001 23		7,684,177 74

NOTE.—An issue of \$1,468,440 Saskatchewan 4 per cent Bonds, due January 22, 1939, and \$1,882,240 Saskatchewan Terminal Bonds, due December 18, 1943, the immediate issue of which has been approved by the Saskatchewan Government, is included in the above figures.

Montreal, June 12, 1917.

W. H. ARDLEY,
Comptroller.

